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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 14, 2013

Eric S. Lewis
P.O. Box 681271
Houston, Texas 77268

Subject: Deficient Transfer Application, West Desert Granite, RDS 502 Mine, M/023/0067, Juab County, Utah

Dear Mr. Lewis:

The Division of Oil, Gas and Mining (Division) has reviewed the referenced transfer application and associated replacement pages for the Notice of Intention to Commence Small Mining Operations (NOI). The existing NOI on file with the Division needs to be completely replaced. The NOI says the disturbed area is 4.5 acres, but the most recent annual report (2010) says it is 6 2/3 acres. The maps do not show the full disturbed area and do not meet current standards.

This site was originally permitted as a small mine, but it was later categorized as a large mine when the disturbed area exceeded five acres. Since then, however, the Utah Mined Land Reclamation Act and associated rules have been changed allowing a small mine to be up to ten acres.

Enclosed with this letter is a copy of the NOI form. Please fill this out and submit the entire NOI, including maps, to the Division. The NOI needs to include two maps. One is a general location map and shows how to get to the site. It should be at a scale of about 1:24,000 and needs to show the nearest public highway. The second is an operations map and needs to show boundaries of the disturbed area, product stockpiles, soil piles, equipment, and other facilities. It should be at a scale of about 1"=200'.

Based on the information in the 2010 annual report and average costs per acre for reclamation, the reclamation surety needs to be increased from the amount currently held, \$33,250.00, to either \$36,700.00 (three-year escalation; surety amount next evaluated in 2016) or \$37,500.00 (five-year escalation; surety amount next evaluated in 2018). These amounts are based on costs in the following table:



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Description	Cost	Total
First Acre of Disturbance; includes mobilization	\$7900 3-year escalation	\$7900 3-year escalation
	\$8100 5-year escalation	\$8100 5-year escalation
Subsequent acres	\$4800/acre 3-year escalation	\$28,800 3-year escalation
	\$4900/acre 5-year escalation	\$29,400 5-year escalation
Total		\$36,700 3-year escalation \$37,500 5-year escalation

In addition to the surety increase, the permit fee was not paid in 2012. The required amount is \$150.00.

Please call Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions about this letter or if you need assistance with the NOI form. Thank you for your cooperation.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB.whw.eb

cc: jmansfie@blm.gov

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